



Morning Alert - Thursday, May 31, 2018

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HEADLINES

Morning news

NHK gave top play to a report that the Osaka District Public Prosecutors' Office has decided to drop a case against former Finance Bureau chief Sagawa, who was accused of tampering with documents related to the controversial sale of state-owned land to Moritomo Gakuen. NTV, TBS, and Fuji TV led with updates on the scandal involving Nihon University's American football team. TV Asahi gave top play to the arrest of a 39-year-old man on charges of murdering a 9-year-old girl in Okayama 14 years ago.

Main front-page stories in national papers included the Osaka prosecutors' decision to drop a case on Finance Ministry officials' alleged tampering with official documents related to Moritomo Gakuen, the planned launch of a police investigation into Kobe Steel's alleged falsification of data on its products, and Prime Minister Abe's remarks at the parliament yesterday expressing opposition to the proposed U.S. tariffs on auto imports.

INTERNATIONAL

GOJ spokesman comments on U.S.-Japan summit

Asahi took up press remarks on Wednesday by Chief Cabinet Secretary Suga, who commented on the summit scheduled to be held between Prime Minister Abe and President Trump at the White House on June 7 by saying: "It is extremely important for the planned U.S.-North Korea summit to become an opportunity to deliver substantive progress not only on the nuclear and missile fronts but also the abduction issue, which is most important. We would like to coordinate closely [with the U.S.] in the run-up to the Singapore summit."

In a related story, Sankei conjectured that Abe decided to travel to Washington for talks with the U.S. leader based on the assessment that he would be able to spend more time with the President discussing North Korea there than if he held a bilateral meeting on the margins of the annual G7 summit to be convened in Canada on June 8-9. The premier is reportedly set to press President Trump not to rush into a nuclear deal with Kim Jong Un potentially involving the reduction or withdrawal of U.S. troops from South Korea. The prime minister will probably ask the President not to compromise on complete, verifiable, and irreversible denuclearization. The paper claimed that since the abduction issue is not viewed as a high priority in the U.S., Abe is expected to ask the President to bring up the matter without fail in the anticipated summit with his North Korean counterpart.

Mainichi ran a similar story, adding that GOJ officials, including PM Abe, are worried that President Trump may be tempted to make concessions to North Korea ahead of the midterm elections in November. An unnamed senior MOFA official reportedly said: "It is necessary to repeatedly remind President Trump that the U.S. must not offer any rewards to North Korea without progress on the abductions."

FM Kono may visit Washington in early June

Sankei wrote that arrangements are underway for Foreign Minister Kono to visit the U.S. around June 6 for talks with Secretary of State Pompeo, speculating that the GOJ is anxious to obtain information on U.S. preparations for the expected Singapore summit between President Trump and DPRK leader Kim Jong Un. Mainichi carried a similar story, adding that the foreign minister may sit in on the U.S.-Japan summit to be held at the White House on June 7.

DPRK to seek reassurances from Trump administration

Asahi claimed in a report from Seoul that North Korea has pointed to the Trump administration's withdrawal from international commitments such as the TPP, Paris climate accord, and Iran nuclear deal, and asked for evidence of its trustworthiness. According to a source connected to the DPRK, the Kim regime is concerned that even if a denuclearization deal is sealed at the purported U.S.-DPRK summit, the Trump administration might decide not to honor it at a later date. The daily added that Pyongyang is calling for Washington to take measures commensurate with the good faith it showed by releasing three American detainees and demolishing its nuclear test site in Punggye-ri.

In related stories, all papers took up a planned meeting in New York between Secretary of State Pompeo and Kim Yong Chol, the vice chairman of North Korea's ruling party, with Asahi and Nikkei speculating that the senior DPRK official may be carrying a letter from Kim Jong Un for President Trump expressing Pyongyang's commitment to ending hostility and continuing dialogue with Washington. Asahi added that the North Korean envoy is hoping to meet with President Trump.

SECURITY

U.S., Japan defense leaders discuss North Korea, China

All papers highlighted a U.S.-Japan defense ministerial meeting held in Hawaii on Tuesday, saying that the two defense chiefs agreed on the importance of maintaining pressure on North Korea, including monitoring ship-to-ship transfers of cargo, to persuade it to change its policy and completely surrender its weapons of mass destruction and ballistic missiles. Asahi claimed that the two officials spent most of the meeting discussing China's maritime advancement in the South China Sea. Onodera told the press afterward: "By flexing its muscles, China is attempting to alter the status quo unilaterally....The Secretary and I agreed on continuing engagement in the South China Sea. The U.S. and Japan will strengthen the deterrence of the bilateral alliance." Asahi quoted an unnamed senior MOD official as saying: "It is unusual for the U.S. to demonstrate its intention to enhance deterrence with China in mind."

According to Yomiuri, Onodera separately held talks with the incoming and outgoing PACOM commanders at Camp Smith. SDF Chief of Staff Kawano reportedly held talks with JCS Chairman Dunford and his ROK counterpart at PACOM headquarters on Tuesday, with the top U.S. general reportedly explaining the U.S. policy of maintaining extended deterrence.

Meanwhile, Mainichi projected that Onodera plans to hold trilateral sessions with his U.S. and South Korean counterparts and his U.S. and Australian counterparts in Singapore in early June on the sidelines of the annual Shangri-La Dialogue conference so as to affirm mutual coordination on North Korea ahead of the U.S.-DPRK summit.

USAF F-22s deployed to Kadena temporarily

Sankei front-paged the arrival at Kadena AB on Wednesday of 10 USAF F-22s, speculating that the expected one-month deployment of the state-of-the-art stealth fighters is perhaps intended to step up pressure on North Korea. Four additional Raptors will fly to Okinawa shortly.

ECONOMY

Abe voices opposition to U.S. tariffs on foreign autos

Yomiuri and Nikkei front-paged remarks made at the Diet on Wednesday by Prime Minister Abe, who commented on the tariffs that the Trump administration may impose on imported vehicles. Abe was quoted as saying: "It is extremely difficult for us to comprehend that the United States would apply this measure to Japan, which is an ally. We cannot accept it." As for the separate U.S. tariffs on Japanese metals, the premier said: "Many of the Japanese products [exported to the U.S.] can only be manufactured in Japan. They are not replaceable. If we react haphazardly, the U.S. may use that as negotiating leverage to adopt quantitative restrictions, like it did with South Korea. So we are responding calmly." He stressed that any trade and investment negotiations with the Trump administration "must be compatible with WTO" rules.

In a related story, Yomiuri wrote that during a planned trilateral trade ministerial meeting between Japan, the U.S., and the EU to be held in Paris today, Trade Minister Seko will convey to USTR Lighthizer Tokyo's qualms about the auto tariffs by saying that the auto issue should be dealt with based on WTO rules. The Japanese minister is likely to hold individual talks with the U.S. official on the margins.

New Keidanren chief aims to broaden dialogue with U.S. businesses

Nikkei took up an interview with Hitachi Chairman Nakanishi, who will officially be elected as Keidanren chairman today. The businessman stressed the importance of broadening and deepening communications with U.S. business leaders at a time when the Trump administration is apparently advocating a protectionist trade policy. Nakanishi reportedly said the business community is more suitable than the government for promoting economic dialogue. Noting that many large American corporations are opposed to trade protectionism, the article said attention will be focused on whether the new Keidanren leader will be able to help defuse the trans-Pacific trade friction by capitalizing on his international expertise gained by working in the U.S. and Europe.

